



Report on Staff Compensation
September 1, 2019

The information below regarding state employee compensation is provided pursuant to Government Code Section 659.026:

- 1. The number of full-time equivalent employees employed by the agency:**
 - a. FY20-21 Number of Authorized FTEs – 123.6

- 2. The amount of legislative appropriation to the agency for each fiscal year of the current state fiscal biennium:**
 - a. The Office is authorized \$54,546,693 in FY20 and \$54,296,694 in FY21, including workers' compensation claims costs, subject to final determination of the Board of Directors

- 3. The State Office of Risk Management's methodology, including any employment market analysis, for determining the compensation of executive staff employed by the agency, along with the name and position of the person who selected the methodology.**
 - a. **Non-Classified Executive Staff**
 - i. The annual compensation for the agency's Executive Director is legislatively established in Article 1 of the General Appropriations Act at \$150,563 for FY 2020 and FY 2021, which falls within Salary Group 4 for positions exempt from the State's Classification Plan.

As reported in the State Auditor's Office (SAO) Report on Executive Compensation at State Agencies (Report No. 18-705), the SAO provides the legislature with recommended salary ranges for executive officer positions. For the analysis, the SAO placed agencies in one of three executive officer compensation tiers, which are agencies grouped according to recommended salary groups, based on factors such as the size of an agency's budget, the number of authorized FTE employees, and the complexity of an agency's mission. The analysis also considered job requirements of the executive officer positions, such as a requirement for a specialized or advanced degree.

To determine the market average for executive officer positions at Texas state agencies, the SAO blended market data from public, nonprofit, and private sector salary survey sources. To supplement that data, the SAO sent surveys to agencies in the 10 most populous states outside of Texas, quasi-governmental agencies, and major Texas cities and counties. Through this methodology, the SAO reported the market average for the State Office of Risk Management's Executive Director at \$158,487.

- b. Classified Executive Staff**
 - i. The Office uses the State of Texas Position Classification Plan (Plan) as its compensation methodology. Utilizing this Plan, compensation of executive staff in classified positions is determined by the Executive Director and is based on a number of factors, including the

complexity of the work performed, skill requirements, experience requirements, education required, budget and staff oversight, and the internal relationship to comparable positions in the agency. In addition, the Office monitors and reviews these positions to ensure that proper reporting relationships are maintained. The minimum and maximum salary ranges for these positions are specified in the State’s Position Classification Plan for the 2020-2021 Biennium (Report No. 19-702).

As part of this study, the SAO conducted a market analysis to determine the competitiveness of the Plan using benchmarks, which are jobs in the private and public sectors that match corresponding state jobs in terms of duties, scope, and responsibility. In situations in which the salary ranges are no longer competitive or equitable, changes to the Plan may be necessary. Without those changes, agencies may face an increased risk of turnover and an inability to compete for and retain qualified employees.

- 4. Whether executive staff are eligible for a salary supplement:**
 - a. A state employee employed by a state agency whose exempt position is funded by the General Appropriations Act may not receive a salary supplement from any source unless a specific grant of authority to do so is provided by the General Appropriations Act or other law.

- 5. The Market Average for Commission of similar executive staff in the private and public section:**
 - a. Reference the State Classification Team’s “A Biennial Report on the State’s Positions Classification Plan” and “A Report on Executive Compensation at State Agencies.”

- 6. The Average compensation paid to employees employed by the agency who are not executive staff:**
 - a. Average agency non-executive compensation in FY20 is \$57,920.48

- 7. The percentage increase in compensation of executive staff for each fiscal year of the five preceding fiscal years and the percentage increase in legislative appropriations to the agency each fiscal year of the five preceding fiscal years:**

Position	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Executive Director	2.0%	28.3%	0.0%	1.1%	0.0%
Deputy Executive Director	17.9%	2.5%	4.7%	0.9%	2.6%
Legislative Appropriations	-0.4%	-2.1%	0.1%	-0.4%	0.0%